

Planning & Strategy Committee
10 September 2020

Report for Agenda Item | Rīpoata moto e Rāraki take 4

Department: Planning & Development

Title | Taitara Update on the National Policy Statement on Urban Development 2020

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

- 1 The purpose of this report is to provide a basic introduction to the Planning & Strategy Committee on the implications of the new National Policy Statement on Urban Development (NPS UD) for the Queenstown Lakes District and Council.

RECOMMENDATION | NGĀ TŪTOHUNGA

- 2 That the Planning & Strategy Committee:
 1. **Note** the contents of this report;
 2. **Note** the key required deliverables and timeframes to give effect to the NPS UD;
 3. **Note** that this report is for information purposes and the actions and decisions required to give effect to the NPS UD will be reported on at a later date.

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CONTEXT | HOROPAKI

Background

- 3 A National Policy Statement (**NPS**) provides national direction on matters of national significance (in this case urban development) and the RMA directs that a local authority must amend its district plan to give effect to an NPS. An NPS is also to be considered when assessing resource consent applications.
- 4 The National Policy Statement on Urban Development 2020 (**NPS UD**) takes effect from 20 August 2020, replacing the National Policy Statement on Urban Development Capacity 2016 (**NPS UDC**).
- 5 The original NPS UDCs intent was to require medium and high growth Councils to provide sufficient housing and business land development capacity to meet demand with Queenstown identified as a ‘high-growth’ urban area. Demand for housing and business land was required to be assessed over the short (3 years), medium (3-10 years) and long term (10-30 years); and in response, ensure that enough feasible development capacity is provided in district plans to meet this demand.
- 6 In order to meet the requirements of the NPS UDC, Council was required to produce the following key deliverables:
 - Housing and Business development capacity assessments (HBCA) every three years;
 - Monitoring of indicators and price signals to inform planning decisions in urban environments on a quarterly basis;
 - Setting minimum development targets within the District Plan to meet demand for housing;
 - Preparation of a Future Development Strategy (FDS) to demonstrate sufficient, feasible development capacity.
- 7 Work is already underway to meet the key deliverables of the new NPD UD. Council produced its first HBCA in 2017 and work is underway to update the capacity assessments for 2020 that will meet the requirements of the new NPS. Quarterly monitoring has been undertaken since 2017 and monitoring reports are available on Councils website¹. The setting of minimum development targets and development of a future development strategy is being progressed as part of the development of a Queenstown Lakes Spatial Plan being developed this year for consultation in early 2021.

Summary of the NPS UD

- 8 The NPS UD was developed by the Ministry for the Environment and the Ministry of Housing and Urban Development and recognises the national significance of well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and

¹ <https://www.qldc.govt.nz/your-council/council-documents/national-policy-statement-urban-development-capacity-nps-udc>

into the future. **Attachment A NPS UD Graphic** is an illustration of how the NPS is intended to enable changes in urban environments. The NPS UD requires that:

- Council plans enable greater height and density in areas of high demand and access;
- Council plans provide sufficient development capacity for business and housing to meet the different needs of people and communities;
- Decision makers must be 'responsive to private plan changes where they would add significantly to development capacity, good outcomes and are well connected by transport corridors;
- Council's are required to work together to produce "Future Development Strategies", which set out the long-term strategic vision for accommodating urban growth;
- Council's must develop and use a strong evidence base for decision making and ensure they engage with Maori, developers and infrastructure providers;
- Council plans can no longer require developers to provide car parking through district and city plans.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

New objectives and policies

9 Objective 1 and Policy 1 of the NPS-UD are focused on "well-functioning urban environments" and are central to the new NPS. These provisions establish a list of important and consistent matters that contribute to good urban outcomes and that do not consistently receive adequate consideration in planning practise. Local authorities need to be able to demonstrate that their plans resource consents and other RMA decisions contribute to these outcomes and be mindful of limiting these benefits.

"Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

- a. have or enable a variety of homes that:
 - i. meet the needs, in terms of type, price, and location, of different households; and
 - ii. enable Māori to express their cultural traditions and norms; and
- b. have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and
- c. have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and
- d. support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and
- e. support reductions in greenhouse gas emissions; and
- f. are resilient to the likely current and future effects of climate change."

10 The NPS-UD seeks to support more people living in, and more businesses and community services being located in, certain areas of urban environments,² requiring planning decisions to improve housing affordability by supporting competitive land and

² Objective 3 National Policy Statement Urban Development 2020 – See Attachment 2.

development markets,³ recognising that urban environments including their amenity values, develop and change over time,⁴ and requiring integration with infrastructure planning and funding decisions while also being responsive to proposals that would supply significant development capacity.⁵ The NPS-UD objectives also includes specific reference to climate change and the Treaty of Waitangi (te Tiriti o Waitangi)⁶.

Providing sufficient development capacity

- 11 In a similar vein to the NPS UDC 2016, the new NPS-UD directs that district plans and future development strategies (**FDS**) must provide at least sufficient development capacity to meet expected demand for housing and for business land over the short, medium and long terms - with similar requirements as to whether that capacity is plan-enabled, infrastructure-ready, feasible, and with additional margins to promote competitiveness.
- 12 The NPS-UD requires that short term capacity be zoned in an operative district plan (whereas the NPS-UDC required land to be 'zoned' without reference to a plan). Medium term applies to land zoned for housing or business use in a proposed district plan and long term is land identified by the local authority for future urban use of intensification in an FDS (currently being prepared as part of the Spatial Plan).

Enabling intensification

- 13 The prescriptive policies requiring at least 6 storey height limits within walking distance of rapid transit stops and the edge of city centre and metropolitan centre zones (policies 3 and 4) are not relevant to Queenstown (Tier 1 urban environments only). However, policy 5 requires district plans for both tier 2 urban environments (which includes Queenstown/Wānaka) to enable building heights and density that is:

“commensurate with the greater of

- a. the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services; or
- b. relative demand for housing and business use in that location.”

- 14 The NPS also sets out that in achieving the above, significant changes to an area that may detract from amenity values enjoyed by existing residents may be involved and that these changes are not to be considered an adverse effect where they are offset by values of future generations⁷.

Removing minimum car parking rates from district plans

- 15 Policy 11 requires council’s to remove minimum car parking rate requirements from district plans, other than for accessible car parks as soon as practicable and within 18 months. This includes requirements for bus parking at hotels, parking at shopping centres, tourism developments, and onsite parking requirements for residential housing

³ Objective 2.
⁴ Objective 4.
⁵ Objective 6.
⁶ Objectives 5 & 8
⁷ Objective 4 and Policy 6

and apartments, and encompasses operative and proposed district plans. The process to make these changes requires no consultation, submissions, hearings or Environment Court appeal rights.

- 16 Resource consent decisions will still require determinations to be made about actual and potential effects on the environment of allowing the activity and travel demand effects can continue to be managed by district plans. However, decision makers normally disregard the effects of activities permitted by a plan and developments with little or no parking may be permitted activities under the plan as there will be no rules and standards or assessment criteria within district plans requiring the provision of minimum car parking.
- 17 Whilst Council is required to remove rules, assessment criteria, policies and objectives that have the effects of setting minimum parking rates, it does not impact Councils ability to:
- set rules and standards for minimum dimensions for vehicle manoeuvring and car parking spaces
 - manage the physical effects of car parking such as visual impacts, storm water and impacts on adjacent uses
 - rules and other standards under other statutes and regulations such as the Building Code that relate to access for car parks, accessible car parking and fire service vehicle access
 - rules which set minimum rates of accessible car parks
 - rules related to maximum parking rates
- 18 These changes don't stop people putting in the amount of parking they think they need or alter conditions on existing consents that require the provision of parking. It also does not prevent Council from setting standards for assets to be vested in the Council. At QLDC a Land Development and Subdivision Code of Practice sets out minimum standards that must be met for works and infrastructure constructed within a new development, which includes parking requirements for certain types of roads and streets.
- 19 Policy 11 encourages Councils to manage the effects associated with the supply and demand of car parking through comprehensive parking management plans. Such plans will be prepared and implemented to manage parking displacement and demand management issues.
- 20 Comprehensive parking management plans could be expected to include implementing residents parking permit schemes and travel plans for activities that generate demand for high numbers of trips. Guidance on car parking management plans from Waka Kotahi NZ Transport Agency will be made available during September 2020.
- 21 The removal of car parking requirements from the PDP will be further investigated with interdepartmental workshops and will be subject to another council report.

Being Responsive to Unanticipated Development Proposals

22 This direction⁸ seeks to ensure that local authorities respond to development proposals that would add significantly to development capacity and contribute to well-functioning urban environments, regardless of whether they are planned for or anticipated in existing planning documents, if they meet a set of criteria that centre around:

- contributing to a well-functioning urban environment; and
- being well connected along transport corridors.

23 Regional councils are to include criteria in their regional policy statements for determining what plan changes will be treated as adding significantly to development capacity.

24 Hard rural urban boundaries without an ability to consider change or movement of that boundary would be inconsistent with these parts of the NPS UD and would have to be changed.

Future development strategies

25 Queenstown Lakes District Council and Otago Regional Council are jointly responsible for preparing a Future Development Strategy (FDS). The FDS sets out the long-term strategic vision for accommodating urban growth every 6 years and in time to inform the next long-term plan and regional land transport plan. It has to set out how the local and regional authority intend to achieve well-functioning urban environments and provide at least sufficient development capacity over the next 30 years to meet expected demand. An FDS has to spatially identify:

- the locations in which development capacity will be provided
- the development infrastructure and other infrastructure required to support
- constraints on development.

26 An FDS requires engagement with other local authorities with shared infrastructure and community connections, government agencies, providers of infrastructure, the development sector and it must also include a statement of hapu and iwi values and aspirations for urban development.

Evidence based decision making

27 The NPS UD continues the previous NPS's emphasis on developing, monitoring and maintaining a highly detailed evidence base about demand, supply and prices for housing business and land to inform planning decisions. There has been no change to the quarterly monitoring requirements.

28 A range of policies combine to require evidence to demonstrate the provision of at least sufficient development capacity for housing and business land to meet demand, plus a competitiveness margin is enabled at all times.

29 Housing and business development capacity assessments are needed every three years to ensure local authorities understand their development market and to help inform long-term plans, future development strategies and RMA planning documents. Council

⁸ Objective 6(c), policy 8 and subpart 2 and Part 3

produced its first HBCA under the NPS UDC in 2017 and work is underway to update the assessment in accordance with the new NPS. A substantial evidence base has been prepared to inform the districts first FDS which is part of the development of a Queenstown Lakes Spatial Plan.

- 30 Territorial authorities are required to monitor development within zones against the development outcomes expected to consider whether rules and overlays are preventing outcomes from being achieved and limiting development capacity.

Timeframes for implementation

- 31 The timeframes for implementation require that every tier 1, 2 and 3 local authority amend its district plan to give effect to the provisions of the National Policy Statement as soon as practicable, and has staggered compliance timeframes dependent on which 'tier' of urban environment a local authority has jurisdiction over. Queenstown Lakes District Council is a 'Tier 2 local authority'.
- 32 Advice There are no options available with this agenda item, as it is an information only item with a recommendation to note the report. Options for implementation will be reported on separately in subsequent reporting.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 33 This matter is of [low] significance, as determined by reference to the [Council's Significance and Engagement Policy](#) because it is an information only item.
- 34 The persons who are affected by or interested in this matter are neighbouring authorities, infrastructure providers, providers of community facilities, residents/ratepayers of the Queenstown Lakes district community, developers, and a range of other groups individuals and entities who will need to be consulted in various ways in the various work programs arising from the NPS.

> MĀORI CONSULTATION | IWI RŪNANGA

- 35 The Council has and will continue to engage with Iwi through Aukaha as part of the preparation and development of an FDS and Spatial Plan ensuring they are a partner in decision making and policy development at key stages.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 36 This matter relates to the Strategic/Political/Reputation and Strategic Community risk. It is most directly associated with RISK00056 Ineffective provision for the future planning and development needs of the district within the [QLDC Risk Register](#). This risk has been assessed as having a low inherent risk rating and will be mitigated through the various processes involved in implementation.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

37 Are there any operational and capital expenditure requirements additional to existing approved budgets or Annual/Ten Year Plans? What further budget, cost implications or resource requirements would result from the decision or options?

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

38 The following Council policies, strategies and bylaws were considered:

- Vision Beyond 2050: <https://www.qldc.govt.nz/vision-beyond-2050/>
- QLDC Housing Development Capacity Assessment 2017: <https://www.qldc.govt.nz/media/g1e15203/housing-capacity-assessment-2017.pdf>
- QLDC Business Development Capacity Assessment 2017: <https://www.qldc.govt.nz/media/0dme2op0/pdp-s32-general-industrial-zone-appendix-2-business-development-capacity-asesment-2017-2019.pdf>
- QLDC Traffic and Parking Bylaw: <https://www.qldc.govt.nz/media/5aubj1fy/traffic-and-parking-bylaw-2018.pdf>
- The QLDC Disability Policy: <https://www.qldc.govt.nz/assets/Uploads/FINAL-Disability-Policy-May-2018.pdf>

39 The recommended option is consistent with the principles set out in the named policy/policies.

40 This matter is included in the Ten Year Plan/Annual Plan and can be shared across a range of specific budgets including district plan and transport budgets.

LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE

41 Legal considerations and statutory responsibilities will need to be taken into account in implementing the new NPS and legal advice will be taken where appropriate in carrying out this work.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

42 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	National Policy Statement Urban Development Graphic
B	National Policy Statement Urban Development 2020